

This letter discusses the general application of the Tire User Fee. See 415 ILCS 5/55.8. (This is a GIL.)

May 11, 2006

Dear Sir:

This letter is in response to your letter dated June 24, 2005, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.tax.illinois.gov to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

This letter is requesting a ruling regarding the obligation ABC may have relative to the sale and disposal of tires.

ABC is in the business of providing automotive service and repair. The business does not sell or inventory tires as a core service offering. In the event a customer makes a request that the company replace worn tires we accommodate the customer's request. To fulfill a customer's request, ABC will procure tires from a distributor and resell the tires to the customer on a [sic] "as needed" basis.

As a business practice, we have not charged customers a disposal fee due to the fact that we donate the old tires to XYZ (a tire service company). Since the company has not collected a disposal fee and, in turn, donated the tires to another company, is COMPANY obligated to file a [sic] ST-8 for and pay the State of Illinois the fee for tires sold to customer who request replacement of old tires?

Please provide guidelines relative to the ST-8 filing and advise if the company is under an obligation to collect a fee on behalf of the State of Illinois.

DEPARTMENT'S RESPONSE:

For general information purposes please refer to the Environmental Protection Act, 415 ILCS 5 et seq. Pursuant to 415 ILCS 5/55.8 any person selling new or used tires at retail or offering new or used tires for retail sale in this State shall: (1) collect from retail customers a fee of \$2 per new and used tire sold and delivered in this State to be paid to the Department of Revenue and deposited into the Used Tire Management Fund, less a collection allowance of 10 cents per tire to be retained by the retail seller and a collection allowance of 10 cents per tire to be retained by the Department of Revenue and paid into the General Revenue Fund.

After July 1, 2003 the retailer is required to collect an additional 50 cents per new or used tire sold and delivered in this State. See 415 ILCS 5/55.8(a)(1.5). This fee is collected up-front on the retail sale of new or used tires. The actual disposal or donation of the old used tires has no bearing on collection of the Tire User Fee imposed.

Additional information regarding updates on the Tire User Fee may be found in the current bulletins posted on the Department's website. For instance, please see Publication 118, which may be located on the Department's Internet website under the heading of "Tax Publications."

I hope this information is helpful. If you require additional information, please visit our website at www.tax.illinois.gov or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess
Associate Counsel

EEB:msk